

SENATE BILL 959

Q3

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By: **Senator Garagiola**

Introduced and read first time: March 2, 2011

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Bio-Heating Oil – Income Tax Credit**

3 FOR the purpose of altering the definition of bio-heating oil for purposes of a certain
4 State income tax credit for the purchase of bio-heating oil for certain purposes;
5 extending a certain termination provision and altering certain dates of
6 applicability for a certain State income tax credit for the purchase of certain
7 heating oil for certain uses; and generally relating to a State income tax credit
8 for the purchase of certain heating oil.

9 BY repealing and reenacting, with amendments,
10 Article – Tax – General
11 Section 10-727
12 Annotated Code of Maryland
13 (2010 Replacement Volume)

14 BY repealing and reenacting, with amendments,
15 Chapter 140 of the Acts of the General Assembly of 2008
16 Section 3

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article – Tax – General**

20 10-727.

21 (a) (1) In this section the following words have the meanings indicated.

22 (2) “Administration” means the Maryland Energy Administration.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) "Bio-heating oil" means A heating oil [with a blend of at least 5%
2 biodiesel]:

3 (I) DERIVED FROM THE U.S. ENVIRONMENTAL
4 PROTECTION AGENCY-APPROVED FEEDSTOCKS; OR

5 (II) ACCEPTED UNDER 42 U.S.C. 7545(O) AS PER THE U.S.
6 EPA RENEWABLE FUEL STANDARD 2 (RFS2) AND THE ACCOMPANYING
7 REGULATIONS UNDER 40 C.F.R. PART 80 FOR DIESEL FUEL REPLACEMENT.

8 (b) An individual or corporation that receives an initial credit certificate
9 under subsection (d) of this section from the Administration may claim a credit against
10 the State income tax for a taxable year in an amount equal to 3 cents for each gallon of
11 bio-heating oil purchased for space or water heating.

12 (c) (1) For any taxable year, the credit allowed under this section may not
13 exceed the lesser of:

14 (i) \$500; or

15 (ii) the State income tax for that taxable year.

16 (2) The unused amount of the credit for any taxable year may not be
17 carried over to any other taxable year.

18 (d) (1) On application by a taxpayer, the Maryland Energy
19 Administration shall issue an initial credit certificate for the number of gallons of
20 bio-heating oil purchased by the taxpayer for space or water heating.

21 (2) The initial credit certificate issued under this subsection shall
22 state the maximum amount of credit that may be claimed by the taxpayer.

23 (3) On January 1, 2009, and each year thereafter, the Administration
24 shall provide to the Comptroller a list of all taxpayers in the prior tax year that have
25 been issued an initial credit certificate and shall specify for each taxpayer the
26 maximum amount of credit allowed.

27 (4) The Maryland Energy Administration shall adopt regulations to
28 administer the initial credit certificate required under this subsection.

29 Chapter 140 of the Acts of 2008

30 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 July 1, 2008, and shall be applicable to all taxable years beginning after December 31,
32 2007, but before January 1, [2013] 2018. It shall remain effective for a period of [5]
33 10 years and, at the end of June 30, [2013] 2018, with no further action required by
34 the General Assembly, this Act shall be abrogated and of no further force and effect.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 June 1, 2011.